

and foreign central banks. In their accounts, depository institutions maintain securities held for their own account and for the accounts of others. The accounts held for others include those of other depository institutions and dealers, which may, in turn, maintain accounts for others.

(b) *TreasuryDirect*. In this system, account holders maintain accounts in a book-entry, online system directly on the records of the Bureau of the Public Debt, Department of the Treasury. Bids for securities to be held in TreasuryDirect are submitted through the Internet.

(c) *Legacy Treasury Direct*. In this system, we maintain the book-entry securities of account holders directly on the records of the Bureau of the Public Debt, Department of the Treasury. Bids for securities to be held in Legacy Treasury Direct are submitted directly to us. From time to time, Treasury may announce that certain securities to be offered will not be eligible for purchase or holding in Legacy Treasury Direct.

[69 FR 45202, July 28, 2004, as amended at 70 FR 57439, Sept. 30, 2005; 72 FR 2193, Jan. 18, 2007; 71 FR 2928, Jan. 23, 2007; 73 FR 14938, Mar. 20, 2008]

§ 356.5 What types of securities does the Treasury auction?

We offer securities under this part exclusively in book-entry form and as direct obligations of the United States issued under Chapter 31 of Title 31 of the United States Code. The securities are subject to the terms and conditions in this part, the regulations in 31 CFR part 363 (for securities held in TreasuryDirect), the regulations in 31 CFR part 357 (for securities held in the commercial book-entry system and Legacy Treasury Direct), and the auction announcements. When we issue additional securities with the same CUSIP number as outstanding securities, we consider them to be the same securities as the outstanding securities.

(a) *Treasury bills*. Are issued at a discount or at par, (1) depending upon the auction results;

(2) Are redeemed at their par amount at maturity; and

(3) Have maturities of not more than one year.

(b) *Treasury notes*—(1) Treasury fixed-principal¹ notes.

(i) Are issued with a stated rate of interest to be applied to the par amount;

(ii) Have interest payable semiannually;

(iii) Are redeemed at their par amount at maturity;

(iv) Are sold at discount, par, or premium, depending upon the auction results; and

(v) Have maturities of at least one year, but of not more than ten years.

(2) *Treasury inflation-protected notes*.

(i) Are issued with a stated rate of interest to be applied to the inflation-adjusted principal on each interest payment date;

(ii) Have interest payable semiannually;

(iii) Are redeemed at maturity at their inflation-adjusted principal, or at their par amount, whichever is greater;

(iv) Are sold at discount, par, or premium, depending on the auction results (See appendix B for price and interest payment calculations and appendix C for Investment Considerations.); and

(v) Have maturities of at least one year, but not more than ten years.

(c) *Treasury bonds*—(1) Treasury fixed-principal bonds. (i) Are issued with a stated rate of interest to be applied to the par amount;

(ii) Have interest payable semiannually;

(iii) Are redeemed at their par amount at maturity;

(iv) Are sold at discount, par, or premium, depending on the auction results; and

(v) Have maturities of more than ten years.

(2) *Treasury inflation-protected bonds*.

(i) Are issued with a stated rate of interest to be applied to the inflation-adjusted principal on each interest payment date;

¹We use the term “fixed-principal” in this part to distinguish such securities from “inflation-protected” securities. We refer to fixed-principal notes and fixed-principal bonds as “notes” and “bonds” in official Treasury publications, such as auction announcements and auction results press releases, as well as in auction systems.

- (ii) Have interest payable semiannually;
- (iii) Are redeemed at maturity at their inflation-adjusted principal, or at their par amount, whichever is greater;
- (iv) Are sold at discount, par, or premium, depending on the auction results; and
- (v) Have maturities of more than ten years. (See appendix B for price and interest payment calculations and appendix C for Investment Considerations.)

[69 FR 45202, July 28, 2004, as amended at 70 FR 57439, Sept. 30, 2005; 74 FR 26086, June 1, 2009]

Subpart B—Bidding, Certifications, and Payment

§ 356.10 What is the purpose of an auction announcement?

By issuing an auction announcement, we provide public notice of the sale of bills, notes, and bonds. The auction announcement lists the specifics of each auction, e.g., offering amount, term and type of security, CUSIP number, and issue and maturity dates. The auction announcement and this part, including the Appendices, specify the terms and conditions of sale. If anything in the auction announcement differs from this part, the auction announcement will control. If you intend to bid, you should read the applicable auction announcement along with this part.

§ 356.11 How are bids submitted in an auction?

(a) *General.* (1) All bids must be submitted using an approved method, which depends on whether you are requesting us to issue the awarded securities in the commercial book-entry system, in TreasuryDirect®, or in Legacy Treasury Direct® (See § 356.4). The approved submission methods for these respective systems are explained in this section. A bidder must provide its assigned bidder identification numbers if it has been assigned one. We have the option of accepting or rejecting incomplete bids.

(2) We must receive competitive and noncompetitive bids prior to their respective closing times, which are stated in the auction announcement. We will not include late bids in the auc-

tion. For bids other than those submitted on paper forms, our computer time stamp will establish the receipt time. You are bound by your bids after the closing time.

(3) We are not responsible for any delays, errors, or omissions. We are not responsible for any failures or disruptions of equipment or communications facilities used for participating in Treasury auctions.

(4) Submitters are responsible for bids submitted using computer equipment on their premises, whether or not such bids are authorized.

(b) *Commercial book-entry system.* (1) If you are a submitter and the awarded securities are to be issued in the commercial book-entry system, you must submit bids using one of our approved electronic methods except for contingency situations.

(2) You must have an agreement on file with us under which you agree to our terms and conditions for access to our system for participating in our auctions.

(3) In contingency situations, such as a power outage, we may accept bids by a telephone call to designated Treasury employees if you submit them prior to the relevant bidding deadline.

(c) *TreasuryDirect.* You must submit your bids through your established book-entry, online TreasuryDirect account. You may reinvest the proceeds of maturing securities held in TreasuryDirect by directing that the proceeds be used to purchase a certificate of indebtedness in your TreasuryDirect account and by using the proceeds of your certificate of indebtedness to pay for the securities.

(d) *Legacy Treasury Direct.* (1) If you are a submitter and the awarded securities are to be issued in Legacy Treasury Direct, you may submit bids by using one of our approved methods, e.g., computer, automated telephone service, or paper forms. You may also reinvest the proceeds of maturing securities into new securities through the same methods.

(2) If you are submitting bids by paper form, you must use forms authorized by the Bureau of the Public Debt and provide the requested information. We have the option of accepting or rejecting bids on any other form.